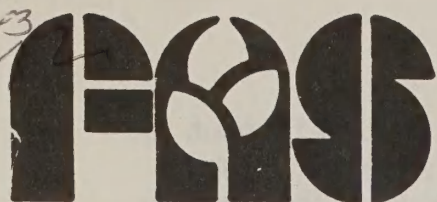


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REPORT

MAR 10 '83

United States
Department of
AgricultureForeign
Agricultural
Service

Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 36-82

WASHINGTON, Sept. 9--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

In CANADA, late August frosts have damaged grain, oilseed and tobacco crops. Preliminary damage assessments to date have been sketchy. The most severely affected crops appear to be tobacco and rapeseed, where yield losses may be substantial. Rapeseed quality is also believed to have been damaged in the affected area. Flaxseed losses were locally severe. Cereal crop losses were less severe with yield losses believed to be very small. A record wheat crop is still expected. However, cereals in the frost-damaged area did suffer a quality reduction. Some of the less mature wheat may have dropped as much as two grades in quality.

Continued drought in eastern AUSTRALIA has further reduced prospects for the 1982/83 wheat and barley crops, according to the U.S. agricultural counselor's office in Canberra. During the July/August period, many areas of eastern Australia received only about 10 percent of their normal rainfall, causing a reduction in both sown area and yields. This year's wheat crop is expected to decline roughly 40 percent from last year's level of 16.4 million tons, while the barley outturn may be down about 30 percent from the previous year's 3.4 million tons.

As drought continues to damage AUSTRALIA's 1982/83 wheat crop, export availabilities for the marketing year beginning in December are likely to be significantly reduced. Current export movement has dropped off considerably from the near-record pace registered this spring. Reports of new sales from old crop wheat have been limited to small traditional customers such as New Zealand. It is likely that Australia will try to hold back some of its unsold crop wheat for increased domestic feeding requirements and attempt to help even out next season's export movement.

With a seriously reduced 1982/83 wheat crop, Australia will likely meet minimum agreement commitment levels, minimal levels to traditional customers, and sales to Middle Eastern markets. However, Australian exports to large purchasers, such as China and the Soviet Union, will likely fall below levels of the past few years. Australia is also not likely to meet any possible new import demand from India. Australian barley exports are also expected to be severely curtailed.

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LYNN KRAWCZYK, Editor, Tel. (202) 382-9442. Additional copies may be obtained from FAS Information Services Staff, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.

BURMA's rice production in 1982 is expected to total about 14 million tons (rough basis), up slightly from last year's record crop, according to a report from the American Embassy in Rangoon. The weather situation during the growing season has been favorable throughout the principal rice-growing areas of Pegu, Rangoon and Irrawaddy. Rice yields in 1982 are expected to average 2.85 tons per hectare, about the same as last year's crop.

Burma's "green revolution" in rice production has apparently plateaued compared to the almost 10 percent annual increase in average yields from 1977 through 1981. Rice yields increased from an average 1.95 tons per hectare in 1977 to 2.85 in 1981. This dramatic increase in rice yields was due in part to successful government sponsored programs encouraging farmers to switch from lower yielding traditional rice varieties to higher yielding ones. The rice area to be harvested this year is estimated at 4.9 million hectares, up slightly from last year, according to the field report. The area in rice production has remained relatively stable over the past 20 years at between 4.7 and 5.0 million hectares.

OILSEEDS AND PRODUCTS

See GRAIN AND FEED item on effects of weather on CANADA's oilseed production.

DAIRY, LIVESTOCK AND POULTRY

WORLD meat production in major producing and trading countries is expected to drop slightly in 1982, reflecting the continued weak economic growth picture in most countries and, in some cases, reduced breeding stock inventories that prevent producers from expanding production even where profit margins have improved. Total meat production (excluding horse meat) is expected to decline slightly to around 104 million tons in 1982 due largely to a drop in pork production. Beef and veal production is also likely to fall marginally this year with lamb, mutton and goat meat production projected to remain at around 4.6 million tons. Poultry meat production is forecast to expand only marginally in 1982 after an average 5 percent annual growth in the past 2 years. Preliminary indications for 1983 point to about 1 percent growth in total meat production with some general improvement in all categories. Expansion will continue to be limited, however, by weak market prices and generally poor market returns.

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World Meat Production

	<u>1981</u>	<u>1982</u>	<u>1983</u>
	-----Millions	of Metric Tons-----	
Poultry	22.10	22.41	22.98
Beef and veal	40.58	40.42	40.54
Pork	37.10	36.42	36.57
Sheep and Goats	4.54	4.56	4.63
Total <u>1/</u>	<u>104.34</u>	<u>103.81</u>	<u>104.72</u>

1/ Selected countries.

Few major changes in cattle inventories are expected during 1982 and in beef and veal production next year. Some of the most important developments this year have occurred in Argentina and Australia. In Argentina, good pastures and higher beef prices have encouraged producers to begin holding back cattle for herd expansion, the first in several years. Argentine beef production is expected to fall more than 10 percent this year and show only a slight increase next year. In Australia, dry weather on the east coast is expected to cause a 11 percent rise in beef production this year and a further decline in inventories.

Mexico is also facing drought in major beef producing areas. This is expected to cause reduced production and some inventory decline this year due to poor calf crops and increased death loss. Increased herd culling is likely and should result in expanded beef production later this year and into 1983. Soviet cattle herds continue at a record size; however, lower slaughter weights due to continued feed supply problems are expected to hold beef production this year at 1981 levels despite some expected increase in slaughter.

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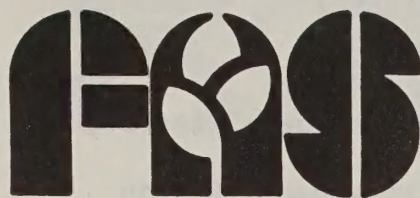
	<u>Beginning Cattle Inventory</u>			<u>Beef & Veal Production</u>		
	<u>1981</u> <u>1/</u>	<u>1982</u> <u>1/</u>	<u>1983</u> <u>2/</u>	<u>1981</u> <u>1/</u>	<u>1982</u> <u>1/</u>	<u>1983</u> <u>2/</u>
	Millions of Head			Millions of Metric Tons		
U.S.	114.3	115.7	115.4	10.35	10.35	10.28
Canada	12.5	12.5	12.6	1.02	1.04	1.05
EC-10	78.3	77.9	78.1	6.91	6.72	6.89
East Europe	37.7	37.9	38.0	2.37	2.34	2.36
Soviet Union	115.1	115.8	116.0	6.60	6.6	6.70
Argentina	58.8	57.8	58.2	2.96	2.60	2.64
Uruguay	11.0	10.9	10.5	0.41	0.39	0.36
Australia	25.2	24.8	23.8	1.42	1.58	1.41
New Zealand	8.1	8.1	8.3	0.50	0.51	0.49
World total <u>3/</u>	941.2	943.5	945.0	40.58	40.42	40.54

1/ Preliminary. 2/ Sept. 1982 estimate. 3/ Forty-eight selected countries.

In pork production, feed shortages in Spain are expected to reduce inventory growth this year and slow production increases in 1983. Hog raising continues to be profitable in Korea and both production and inventories, which started to rise in 1981, are expected to expand again this year. In Japan, a major market for U.S. pork, hog prices have been rising since April, with August prices at the highest level in 5 years. Feed prices, on the other hand, are the lowest since 1980. This should encourage herd expansion later this year and pork production advances in the first half of 1983. Forecast production gains in Hungary and Yugoslavia in 1983 are likely to be more than offset by credit and feed supply problems in other East European countries.

	<u>Beginning Hog Inventory</u>		
	<u>1981</u> <u>1/</u>	<u>1982</u> <u>1/</u>	<u>1983</u> <u>2/</u>
	Millions of Head		
U.S.	64.5	58.7	52.3
Canada	9.6	9.3	9.0
EC-10	78.1	78.3	77.7
East Europe	71.0	72.3	71.5
Japan	10.1	10.0	10.1
Soviet Union	73.4	73.2	71.2
World total <u>3/</u>	421.1	416.3	407.4

1/ Preliminary. 2/ Sept. 1982 estimate. 3/ Forty-eight selected countries.



REPORT

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

CCC GUARANTEES TO PORTUGAL INCREASED

WASHINGTON, Aug. 13 -- The Commodity Credit Corporation (CCC) today approved a \$75 million increase in guarantees to U.S. exporters for sales of U.S. agricultural commodities to Portugal under the Export Credit Guarantee Program (GSM-102), according to Melvin Sims, general sales manager for the U.S. Department of Agriculture's Foreign Agricultural Service. CCC will provide up to three-year coverage under the line to Portugal.

Sims said the \$75 million increase is in addition to the \$350 million in guarantees that was announced earlier for Portugal. CCC will earmark the entire \$75 million in new guarantees for feed grain sales (barley, corn, sorghum, and oats).

The guarantee line to Portugal now totals \$425 million and authorizes \$240 million for feed grains, \$125 million for oilseeds, and \$60 million for wheat.

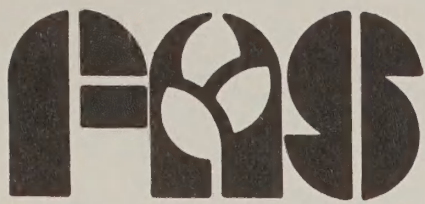
To be eligible for guarantees, U.S. exporters must submit an application along with a guarantee fee to CCC before export is completed. All shipments must be completed by Sept. 30, 1982. The guarantor is Caixa Geral Depositos Credito e Prevedencia and/or other eligible banks.

The guarantee rates include a charge to provide for a per annum interest rate coverage of up to 8 percent on the guaranteed value. Exporters may apply for a guaranteed value up to a maximum of 98 percent of the port value.

Based on semiannual repayments of principal, plus accrued interest, the fee is 15.6 cents per \$100 for six months; 23.4 cents per \$100 for one year; 39.3 cents per \$100 for two years; and 56.5 cents per \$100 for three years.

Based on equal annual repayments of principal, plus accrued interest, the fee rate is 32.9 cents per \$100 for one year; 50.1 cents per \$100 for two years; and 69.2 cents per \$100 for three years.

For further information, call Lorraine Potts (202) 447-3224.



REPORT

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

USDA REPORTS SEPTEMBER STATUS FOR CCC GUARANTEE PROGRAM

WASHINGTON, Sept. 15 --The U.S. Department of Agriculture has a balance of approximately \$971 million worth of guarantees available under authorized lines to U.S. exporters under the Commodity Credit Corporation (CCC) Export Credit Guarantee Program (GSM-102), which provides protection against payment defaults without any distinction between commercial and noncommercial reasons, according to Glenn D. Whiteman, acting general sales manager for the U.S. Department of Agriculture's Foreign Agricultural Service.

As of Sept. 10, guarantee balances remaining under the GSM-102 program by commodity and country were:

BARLEY MALT: Jamaica, \$454,190.

BEANS, (Red): Panama, \$1.6 million.

CORN: Panama, \$3 million; Nigeria, \$12.1 million; Peru, \$10 million.

CORN, (White): Costa Rica, \$141,500.

COTTON: Korea, \$215.3 million; Indonesia, \$15 million; Thailand, \$1.8 million.

FEED GRAINS: Korea, \$24.2 million; Portugal, \$83.6 million; Jamaica, \$245,200; Mexico, \$54 million.

GLUTEN, CORN: El Salvador, \$775,800.

GRAINS, COARSE (Corn and Oats): Dominican Republic, \$1.4 million.

LENTILS: Panama, \$1.4 million.

LUMBER (Softwood): Uruguay, \$2 million; Colombia, \$1 million; Venezuela, \$4 million.

MEALS (Meat and/or Bone): El Salvador, \$308,800.

OILSEEDS, (Cottonseed, Soybeans, Peanuts, and Sunflowerseed): Portugal, \$18.9 million.

ONIONS: Panama, \$1.2 million.

POTATOES (Seed): Venezuela, \$2 million.

BROILER AND/OR LAYER CHICKS: El Salvador, \$53,170.

POULTRY (Frozen): Nigeria, \$4 million.

POULTS, TURKEY: El Salvador, \$50,000.

PROTEIN MEALS (Cottonseed, Linseed, Soybean, and Sunflowerseed): Costa Rica, \$1.7 million; Dominican Republic, \$4.3 million.

SOYBEAN MEAL: Nigeria, \$1 million.

RICE: Peru, \$40 million; Dominican Republic, \$1 million; Jamaica, \$256,700; Nigeria, \$54.6 million.

SOYBEANS: Korea, \$11.4 million; Dominican Republic, \$6.7 million.

SOYBEANS AND/OR VEGETABLE OILS (Cottonseed, Soybean, Linseed, Peanut, and Sunflowerseed): Guatemala, \$4 million.

TALLOW: Korea, \$201,700; El Salvador, \$1.7 million; Guatemala, \$10 million.

TALLOW AND/OR YELLOW GREASE: Jamaica, \$1.3 million.

TOBACCO (Unmanufactured): Nigeria, \$600,000; Sierre Leone, \$250,000; Jamaica, \$43,700.

VEGETABLE OILS (Cottonseed, Peanut, Soybean, Linseed, and Sunflowerseed): Dominican Republic, \$858,600; Morocco, \$50 million; Peru, \$3.8 million; Pakistan, \$32.5 million; Mexico, \$11 million.

WHEAT: Korea, \$35.6 million; Peru, \$54.7 million; Portugal, \$5 million; Morocco, \$88.7 million; Brazil, \$70.4; Costa Rica, \$301,900.

WHEAT FLOUR AND/OR SEMOLINA: Nigeria, \$593,700.

UNDESIGNATED: Korea, \$20 million.

For further information, call Lorraine Potts (202) 447-3224.

PR-155-82

Pork Production

	1981 ^{1/}	1982 ^{1/}	1983 ^{2/}
Millions of Metric Tons			
U.S.	7.20	6.33	6.36
Canada	0.87	0.84	0.83
EC-10	9.46	9.49	9.54
East Europe	6.70	6.78	6.71
Japan	1.40	1.44	1.47
Soviet Union	5.2	5.1	5.1
World total ^{3/}	37.10	36.42	36.57

1/ Preliminary. 2/ Sept. 1982 estimate. 3/ Forty-eight selected countries.

Sheep inventories in 44 selected countries are expected to be up less than 1 percent. In Australia, the world's major wool producer, drought is expected to slow inventory growth. EC sheep herds, which are raised primarily for meat, are expanding at a much slower pace because of lower than expected returns on sheepmeat. In the Soviet Union, the largest sheep producer, dry weather, feed shortages, and heavier slaughter are expected to cause inventories to fall in 1982.

Initial projections of total poultry meat production during 1983 in selected producing countries indicate a growth of roughly 2 percent. This is considerably below the 6 percent expansion rate of 1981, but greater than the 1 percent rise expected this year. Weakness in consumer purchasing power and low producer margins generally continue to restrain expansion plans. For many of the major producers, such as France and Brazil, growth rates in 1983 are expected to be down significantly from those expected this year. In both France and Brazil, weakness in export markets, particularly in the Middle East are expected to slow growth in broiler output next year to one half or less of the projected 1982 rates, which, in turn, are well below those of earlier years.

Poultry operations in the USSR apparently have continued to receive feed supplies on a priority basis. Based on production figures for the first half of this year, production in 1982 is expected to grow by around 9 percent. Continued feed supply problems are likely, however, to reduce the growth rate for 1983. World egg production is likely to increase again in 1983 at about the same pace as in 1982. Egg output is expected to rise or remain steady in all major egg producing countries with the highest growth rate of 3 percent projected for the USSR.

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Total Poultry Meat Production ^{1/}			
	<u>1981</u>	<u>1982</u> ^{2/}	<u>1983</u> ^{3/}
	Million Metric Tons		
United States	6.99	7.01	7.17
EC	4.15	4.34	4.40
France	1.24	1.35	1.39
USSR	2.30	2.50	2.60
Brazil	1.49	1.59	1.65
Japan	1.13	1.21	1.22
Spain	0.89	0.83	0.85
World total ^{3/}	22.10	22.41	22.98

^{1/} Forty selected countries. ^{2/} Preliminary.

^{3/} September 1982 forecast.

Broiler Production ^{1/}				Egg Production ^{2/}		
	<u>1981</u>	<u>1982</u> ^{3/}	<u>1983</u> ^{4/}	<u>1981</u>	<u>1982</u> ^{3/}	<u>1983</u> ^{4/}
	Million Metric Tons			Billion Pieces		
United States	5.44	5.53	5.63	69.1	69.1	69.2
EC	2.87	2.99	3.03	70.8	72.1	71.9
France	0.78	0.85	0.89	15.2	15.6	15.6
USSR	0.65	0.70	0.73	70.9	72.3	74.4
Brazil	1.40	1.50	1.55	10.2	10.2	10.3
Japan	1.00	1.08	1.10	33.3	34.2	34.7
Spain	0.82	0.76	0.76	11.8	11.9	12.2
World total	15.24	15.40	15.74	351.5	356.1	360.1

^{1/} Thirty-five selected countries. ^{2/} Forty selected countries.

^{3/} Preliminary. ^{4/} September 1982 forecast.

TOBACCO

See GRAIN AND FEED item on effects of weather on CANADA's tobacco production.

COTTON AND FIBERS

PAKISTAN's 1982/83 cotton crop could exceed last year's production level of 3.5 million bales, according to the agricultural attache in Islamabad. This increase is attributed to favorable weather conditions and minimal insect damage, particularly in the major producing regions of the Sind and the Punjab. Barring unfavorable weather conditions between now and harvest, yields could reach record levels due to the trial planting of higher yielding varieties and a higher seeding rate.

COFFEE, TEA AND COCOA

WORLD coffee production for 1982/83 is forecast at 81.7 million bags (60 kilograms each), down 16 percent from the revised 1981/82 estimate of 97.0 million bags and up 892,000 bags from the initial forecast of 80.8 million. The major factor in the increase over the previous estimate is a 600,000-bag increase in the estimate for Indonesia and a 300,000-bag increase in Mexico. Smaller increases are also expected in the Dominican Republic and the Philippines. These increases are partially offset by reductions in forecast production in Kenya, Peru and Ghana.

South America's total 1982/83 coffee production is estimated at 34.9 million bags, down 100,000 bags from the previous estimate and down 16.2 million bags from the 1981/82 level. Brazil's and Colombia's estimates remain unchanged at 17.75 million and 13.5 million bags, respectively. Peru's 1982/83 crop is estimated at 1.15 million bags, unchanged from last year but down 100,000 bags from the previous estimate due to coffee rust, which is preventing higher yields.

Central America's crop is still estimated at 9.6 million bags. Coffee production in the Caribbean is expected to be up 10 percent in 1982/83 due to improved production prospects in the Dominican Republic, which accounts for half the regional estimate of 2.2 million bags. The Dominican Republic's 29 percent increase in production over last year is attributed to good rains before and after flowering and the "good year" in the coffee biennial yield cycle. Good growing conditions in its "up year" also helped in Mexico, where 4.2 million bags are expected in 1982/83.

Africa's total 1982/83 coffee crop is now forecast at 20.1 million bags, up slightly from the previous season and down 64,000 bags from the initial estimate. In Kenya, dry weather has reduced the crop forecast to 1.78 million bags, still 6 percent above the 1981/82 level.

Production in Asia and Oceania in 1982/83 is estimated at 10.7 million bags. In Indonesia, the plantings which occurred during the years of high prices are producing more coffee than earlier expected and resulting in a 1982/83 forecast of 6 million bags.

FRUITS AND NUTS

JAPAN's Ministry of Agriculture released its first official estimates of mikan orange and apple production for the 1982/83 season on August 26. Based on favorable growing conditions as of August 1, output of mikans and apples is forecast at 2,844,000 and 927,100 tons, respectively. This represents a 1 percent increase for mikans and a 5 percent increase for apples over weather-damaged 1981 crops.

RECENT FOREIGN AGRICULTURE CIRCULARS

Export Markets for U.S. Grain and Feed Commodities, FG 27-82
Horticultural Products Review, FHORT 3-82

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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

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AGR 101
FIRST CLASS

Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f.,
Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	: : Sept. 7, 1982 :	: : Change from : previous week :	: : A year : ago :	
	\$ per m. ton	\$ per bu.	¢ per bu.	\$ per m. ton
Wheat				
Canadian No. 1 CWRS-13.5%.....	194.00	5.28	-.04	219.00
U.S. No. 2 DNS/NS: 14%.....	177.00	4.82	+.04	194.00
U.S. No. 2 DHW/HW: 13.5%.....	1/	1/	1/	200.00
U.S. No. 2 S.R.W.....	145.00 7/	3.95	+.06	182.00
U.S. No. 3 H.A.D.....	163.00	4.44	+.04	196.00
Canadian No. 1 A: Durum.....	1/	1/	1/	218.50
Feed grains:				
U.S. No. 3 Yellow Corn.....	1/	1/	1/	141.75
U.S. No. 2 Sorghum 2/.....	1/	1/	1/	147.00
Feed Barley 3/.....	1/	1/	1/	153.00
Soybeans:				
U.S. No. 2 Yellow.....	229.00	6.23	-.03	267.00
Brazil 47/48% Soya Pellets 4/.....	206.50	--	+1.50 5/	1/
U.S. 44% Soybean Meal (MT)....	201.00	--	+1.00 5/	234.00
EC Import Levies				
Wheat 6/.....	109.20	2.97	+.15	71.05
Barley.....	103.20	2.25	+.03	68.95
Corn.....	99.05	2.51	-.01	74.75
Sorghum.....	100.50	2.55	+.07	66.55

1/ Not available. 2/ Optional delivery: Argentine Granifero sorghum. 3/
Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/
Dollars per metric ton. 6/ Durum has a special levy. 7/ Oct. shipment.

Note: Basis September delivery.